prepared in 1975. In 1978, an attempt was made to bring out a drug policy also based on the Hathi Committee recommendations. We have stated in these policy measuring that we have seen the working of the 1978 policy document and we find that there are certain areas where we need to improve and that is why we have made a review. The basis is the Hathi Committee report. The Hathi Committee has said that there must be abundent availabiliy of drugs at reasonable prices. Then ratio parameters were applied to multi-national and FERA companies. For every bulk drug they were allowed to produce, the ratio parameter was 1 : 5 in the 1978 policy. The present new policy suggests that it will be reduced to 1 : 4. Therefore, we have taken a more stringent view. The Hathi Committee did not suggest any ratio parameters.

SHRI DIPEN GHOSH: The Hathi Committee suggested nationalisation of multi-national companies.

SHRI R. K. JAICHANDRA SINGH: It did not suggest that the multinaional companies should be naionalised. There is one correction to my answer earlier with regard to production of penicillin. It is also open to the FERA companies. It is open to the Indian sector.

श्री चतुरानन मिश्र : सभापति महोदय, अभी हाल के वर्षों में सरकार ने कई सुविधाएं दी हैं जैसे, डिलाइसेंसिंग किया है और दूसरी सुविधाएं भी दी हैं, इसलिए मैं यह जानना चाहता हूं कि सरकार की इस नीति के चलते क्या दवाओं की कीमतें गिरी है या पहले से कम हुई है? दूसरी बात मैं यह कहना चाहता हूं कि जो एडवान्स्ड कन्ट्रीज हैं, जहां पर ये दवाएं बनाई जाती हैं वहां पर इनके दाम कम हैं, लेकिन हमारे देश में इसके दाम ज्यादा है ? क्या सरकार को इस संबंध में जानकारी है ? तीसरी बात मैं यह पूछना चाहता हूं कि एडवान्स्ड कन्ट्रीज में जो ड्रग्ज प्रोहिबिटड हैं उनकी बिक्री हमारे देश में होती है ? इस संबंध में सरकार की पालिसी क्या है ? मैं चाहता हूं कि इन तीन बिन्दुओं पर आप सफाई दीजिए।

SHRI R. K. JAICHANDRA SINGH: Once the list of drugs belonging to the second list is drawn up, then the D.P.C.O. will come into effect. That is why the prices have not come down.

SHRI CHATURANAN MISHRA: Earlier also you had granted concession to the drug manufacturers. But the prices have not come down. In spite of the concessions given to the manufacturers, the prices have not come down. That is the fault of your pricing policy.

SHRI R. K. JAICHANDRA SINGH: In fact, it is informally informed that the prices of at least nine to ten drugs belonging to the essential core—the second category is to be drawn up—would come down substantially. But since the new DPCO has not come into existence, it will be too premature for me to say anything about this.

SHRI CHATURANAN MISHRA: I want your protection, Sir...

MR. CHAIRMAN: No, no. Next Question.

SHRI RAJNI RANJAN SAHU: Sir, I should be allowed ....

MR. CHAIRMAN: No more questions on this.

SHRI CHATURANAN MISHRA: 9 and 10 will mean nothing unless he names them.

SHRI RAJNI RANJAN SAHU: Sir, it is a very important matter. There should be a Half-an-Hour Discussion.

MR. CHAIRMAN: You will have to write to me a letter. I will consider it on merits.

Question No. 64

Setting up of power plants in the private sector

*64. SHRI D. B. CHANDRE GOWDA:†
SHRI MUKHTIAR SINGH MALIK:

Will the Minister of ENERGY be pleased to state:

(a) whether the Prime Minister has recently stressed the need for a review of the

†The question was actually asked in the floor of the House by Shri D. B. Chandre Gowda.

Government's policy to allow the private sector to set up new power plants;

(b) if so, whether any negotiations with any private sector firms have been made; and

(c) if so, what are the details thereof and to what extent the power crisis in the country is likely to be resolved thereby?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATI SUSHILA ROHATGI): (a) Yes, Sir.

(b) and (c) The Industrial Policy Resolution does not preclude private sector participation in power generation when the national interest so requires. The extent to which power shortages will be reduced by private sector participation. will depend on the number of propisals which finally find accpetance. So far no negotiations have been entered into with private firms for setting up new capacity.

SHRI D.B. CHANDRE GOWDA: Sir, the Industrial Policy Resolution does not preclude private sector participation in power generation if the national interest so requires. Secondly, while inaugurating the State Power Ministers Conference in the middle of January, the Prime Minister has observed that power generation was one of the critical areas identified by the Government for the economic development of the country. So, keeping these two things in view may I know from the Government (a) what the proposals are to encourage the private entrepreneurs to come up in the small sector area, and if they come up with proposals does the Government consider giving them all possible concessions and help which they deserve. And (b)....

MR. CHAIRMAN: You will have a second supplementary. Please sit down.

SHRIMATI SUSHILA ROHATGI: Sir, I do agree, as the Prime Minister has said, power generation is of great importance and a lot of importance should be given to power generation as it is a critical sector. There can be no two views about that. Sir, it is not precluded from that. But so far no negotiations have taken place. And it is precisely as a follow-up of the suggestion given by the Prime Minister that we are interacting with the various agencies concerned—the Planning Commission, the various State Boards, the Eenergy Conservation agencies and all the others concerned. So, we are trying to go into the details to make a package to understand the implications and work out the modalities as to how this private sector participation for greater additionality of resources can be worked out.

SHRI D. B. CHANDRE GOWDA: Keeping the national interest in view, would the Government propose to explore the possibilities of generating power in non-traditional sources like energy from tidal waves or energy from solar rays?

MR. CHAIRMAN: This question relates to generation by private sector.

SHRI D. B. CHANDRE GOWDA: Sir, it is not only a question of private sector but it is also a quesion of States. Certain projects proposed by the States are pending clearance.

MR. CHAIRMAN: Will you please read the question? It says whether the Prime Minister has recently stressed the need for a review of the Government's policy to allow the private sector to set up new power plants. Now, Mr. V. B. Gupta.

SHRI D. B. CHANDRE GOWDA: Mr. Chairman, Sir, privatisation does include the States also because it is in the Concurrent List. States have to take the clearance from the Central Government. And the projects do not get clearance at the Centre. A dozen of our projects are pending with the Central Government for clearance. May I know whether the Hon. Minister would consider the question of clearing all the projects proposed by the State Government? There are about eight or nine projects like 12 M.W.....

MR. CHAIRMAN: Question is not relevant.

SHRI D. B. CHANDRE GOWDA: Because it is a Central sector, in view of the larger national interest....

MR. CHAIRMAN: May I formulate the question for you?

SHRI D. B. CHANDRE GOWDA: Please, Sir.

MR. CHAIRMAN: Will the Minister please state whether the applications made by the private sector in the various States will be given clearance as quickly as possible?

SHRIMATI SUSHILA ROHATGI: Sir, we are working out the entire package in which all these things are under consideration and if they conform to that and if they are in national interest, they shall be considered.

SHRI VISHWA BANDHU GUPTA: Mr. Chairman, Sir, in view of the importance of power generation would the Minister of Energy kindly state the extent of investment that is likely to be made and erpected from the private sector, or work in this joint sector?

SHRIMATI SUSHILA ROHATGI: Sir, at present out of 40,000 M.W. of generation that we have of installed capacity, only about 2,000 is done by the private sector. We are not aware of anything more than that. A few proposals have come but they are at a preliminary stage. We do not exactly know how far they will be accepted. We are also not in a position to say how much money will be required or how much they will be able to pool together. The entire package is being worked out. It may be accepted if it is found to be attractive. But it is too premature a question.

MR. CHAIRMAN: The Member wants to know if private sector is not forthcoming, will you consider joint sector?

SHRIMATI SUSHILA ROHATGI: Yes, Sir.

MR. CHAIRMAN: Yes, she will consider.

SHRI D. B. CHANDRE GOWDA: No, Sir. Private sector also ...

MR. CHAIRMAN: Better write the questions before you put them. That is my advice to you.

SHRI M. KADHARSHA: If I remember correctly, it is the Hon. Minister who first initiated the idea of privatisation in energy sector. But his counterpart in the industry has rebutted that as a matter of policy power project in private sector will not be allowed. Sir, now the Prime Minister has said that the matter is to be thoroughly reviewed. So, first I would like to know whether there is coordination between the various Ministries of the Government. The country is passing through an acute power shortage. Nearly 338 billion units of power shortage is going to be this year. A ten per cent power cut alone results in a loss of Rs. 7,000 to Rs. 10,000 crores to the industry. But this year the power shortage will be more than 20 per cent. So, Sir, I would like to know even if the avowed policy of the Government bars them from allowing privatisation of the power sector, will they consider to produce more power with joint collaboration?

SHRI VASANT SATHE: Sir, as far as the policy statement made by the Prime Minister and the Industry Minister's statement are concerned, as reported, there is no contradication in fact. All that the Minister for Industry is reported to have stated is that it would be difficult for private sector to find the resources for putting in big power projects. Now, the policy of the Government is very clear. If it means additionality, if the private sector is able to generate additional resources, then in national interest we would allow them to set up generating utilities. Today, Sir, we are already allowing captive power stations. We have allowed stations in Karnataka recently and in Faridabad there, even for a complex of industries, gas-based stations, fuel based. So, Sir, our desire is to induct more and more power because there is really no substitute for power when it comes to having adequate power for industry. And that can be done only by allowing people to generate more power if they have the capacity to do it, and we would allow them to do so. One thing I must clarify. This word 'privatisation' is not correct because privatisation would imply public sector being converted into private sector.

What we are doing is private participation in power generation if that means additionality. That is a clear policy.

SHRI BIR BHADRA PRATAP SINGH: Any kind of parallel to public sector makes us very suspicious. If it is confined to power generation only, then I would like to know whether these private generators would be compelled to work under various State Electricity Boards and in no case the question of transmission and distribution would be allowed to them because only then we can keep the public sector intact. May I have an assurance from the hon. Minister that they will not allow private individuals to have any role and scuttle power distribution system?

SHRI VASANT SATHE: As far as distribution is concerned, it will have to be through the grid; it will have to be through transmission and distribution system of State Electricity Boards. There is no question of having another parallel distribution or transmission system. But for power generation, if additionality is brought in by their own resources, I think this will be in national interest and it will not adversely affect the public sector at all.

SHRI M.S. GURUPADASWAMY: I am unable to understand the postion of the Government. The question here refers to the review of the Government's policy, and the answer is, there is no change at all with regard to policy Resolution. And there is no change at all, as you know, till now when private parties were not allowed to participate in generation of power. Now, you have been emphasising this aspect. You have also been emphasising that there is no prohibition as such in the Power Policy Resolution, preventing private parties from participating in power generation. why, till now, for so many years, private parties did not come at all? By implication, does that not mean that they are prohibited from participating in energy production? Now you are reviewing it and you are opening it. Whether there is a shift in the Policy, that is the implication which you deny. But that is a fact, and it means a shift.

SHRI VASANT SATHE: I do not think there is a shift in the policy. We had uptil now thought within the framework of the Industrial Policy Resolution that the State itself would be able to have resources to generate adequate power. But now we find that the gap between demand and supply of power is growing and, therefore, to meet this gap, additionality of resources is needed. From where do you get this additionality of resources? Either you borrow it from outside or if our own people in the country can raise additional resources we should welcome that. That is why, within the Policy Resolution itself we thought that we can allow it. After all, what will he do with that power? He cannot hold it; he cannot store it. If he generates it, that will be put in the grid, in the system and it will be useful for the people. That is why we are allowing it.

MR. CHAIRMAN: Next question.

*65. [*The questioner (Shri Suresh Pachouri) was absent. For answer, vide col.* 31-32 infra].

*66. [*The questioner (Shri Ramsinghbhai Pataliyabhai Rathvakoli) was absent. For answer* vide *col.* 32-33 *infra*].

Building indigenous capability in new areas of exploration

*67. SHRI SHANTI TYAGI:†
SHRI RAM CHANDRA VIKAL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the ONGC is aiming at building indigenous capability in several new areas of exploration;

(b) if so, what are those new areas and the progress made so far; and

(c) what are the details of the major services indigenised so far and to what extent?

†The question was acutally asked on the floor of the House by Shri Shanti Tyagi.